

Foreword

Knowledge management is still young enough to be seen as fashionable. As Kalling and Styhre (2003) have pointed out: ‘knowledge in organizations is not a new thing; knowledge management is.’ There is of course no domain of human activity in which knowledge of some sort is not created, shared or transferred. Conceived as it is today as a critical organizational resource, knowledge is seen to reside in collections of heterogeneous knowledge assets that are socially complex and generally inimitable. Bound up with this is an abiding recognition – or at least assumption – that ‘the ability to constantly create new knowledge and convert it into value-creating innovation is a decisive ingredient in the success of every company’ (Bukh *et al.*, 2005). From this notion it follows – or rather it is frequently argued - that astute exploitation of organizational knowledge - alias knowledge management - leads to superior corporate performance, (sustained) competitive advantage and even ascension on “‘the Slope of Enlightenment” to the “Plateau of Productivity”” (Ruggles and Hotshouse, 1999; original emphasis).

But awkwardly it can be very difficult to identify causal relationships between exploiting knowledge assets and hard results (Christensen, 2003). At best there may only be ‘a minor correlation between knowledge management and the company’s bottom line’ (Christensen, 2003, citing Lucier and Torsilieri, 2001). Despite that limitation, KM has become ‘a broad field with explosive growth’ (Kärreman *et al.*, 2005), bringing with it ‘new terminology’ in companies, consultancy and research (Bukh *et al.*, 2005a)

One of the key questions about knowledge management is of course this: are we really talking about management in terms of organization and coordination as opposed to mere processing? Dixon (2000) has argued that ‘the term “knowledge management” has unwanted implications. The “management” part implies that this is something Management is in charge of, when what is wanted is that everyone in an organization be involved in the exchange as well as the generation of knowledge’ (original emphasis). In a similar vein Alvesson and Kärreman (2001) have noted that knowledge is ‘a concept far too loose, ambiguous, and rich and pointing in far too many directions’ to be managed i.e. organized, co-ordinated, controlled.

One must surely conclude that strictly speaking knowledge cannot be managed. One might even facetiously say that there has been a failure on the part of the KM community to manage knowledge management! Thus it really behooves the KM community to tackle this issue, if the domain is to realize its full potential in the everyday operations of organizations of every kind and, incidentally, find for itself firmer footing on the agenda of business schools.

This may sound a strange thing to say. Some will counter by saying that every year we see an endless stream of books and articles on KM as well as regular practitioner events, academic conferences and scores of websites, all of which attest to the development of KM as practice and object of academic investigation. This is indeed true, but yet in many ways KM is still in its infancy, and possibly for a not immediately obvious reason: there is persistent vagueness about the nature of tacit knowledge as an organizational resource and as an influence on human behaviour in the workplace, whether that work-

place happens to a car production line, an advertising agency or one's company's Asia headquarters in Shanghai. Tacit knowledge is, as it were, KM's lost continent.

Just about everyone in the KM field subscribes to the view that there is something special about tacit knowledge. It has been hailed as 'the key to sustainable competitive advantage' (Burton-Jones, 1999), a 'reservoir of wisdom' (Baumard, 1999) and even a form of Holy Grail of admittedly exaggerated efficacy (Styhre, 2003). Yet, when we look at standard range of books on KM, it is striking fact that tacit knowledge receives amazingly little attention. This does not, of course, apply to the writings of Nonaka and several of his collaborators, to whom the role of tacit knowledge is central to knowledge creation – or rather, Japanese-style knowledge creation (Glisby and Holden, 2002). It is in fact possible to come across books on KM and find no indexed reference to tacit knowledge whatsoever. In other words, tacit knowledge just gets lip-service.

Invisible, intangible, inchoate and elusive, tacit knowledge is by definition hard to investigate or specify. To add to the messiness, any formal description of tacit knowledge automatically converts it a different state of being, namely explicit knowledge. At best one can refer to tacit knowledge in elliptical ways; which is, as they say, bad science. Even so it seems that we can all agree on three things

1. tacit knowledge, for all its indefinability, is an influence in its own right on relationships involving the creation, sharing and transfer of knowledge
2. its effects, which are invariably situation-specific, cannot be easily quantified or measured.
3. the carrier of tacit knowledge is human language in its oral mode.

Faced with conundrums like that, we might be inclined to concede defeat, continue paying lip-service, and decide to focus our energies on understanding KM with virtually exclusive reference to explicit knowledge: in other words, stay in the comfort zone. But what if it could be demonstrated that tacit knowledge is a significantly wider influence on human relationships within and between organizations than is usually thought?

In a book I am currently co-authoring a multi-country case-based book on tacit knowledge, we cite some remarkable data (Holden and Glisby, 2009). With three sets of small samples at our disposal we have established that some 60 fully qualified scientists and engineers working in the technical domains in industries diverse as engine management systems, software design and petroleum engineering variously devote 30-70% of their professional time handling tacit knowledge, *once they understand what the term tacit knowledge connotes*. Hitherto they had thought of themselves as handling only explicit knowledge to carry out their jobs in scientific consultancy, technical sales or advanced manufacturing.

In a separate case my co-author and myself interviewed a British engineer, who had years of experience the design and manufacture of car engines. In 2003 he joined the UK subsidiary of a major Japanese MNC in the automotive sector. At that time he estimated that 'only 20%' of his job content was connected with handling tacit knowledge - again, once he appreciated what the term meant. In the intervening six years he has risen in stature in the company and holds a key role in mediating European know-how to the company headquarters in Japan. In this enhanced capacity he is holding regular meeting in Japan and Europe with senior Japanese technical and strategic managers. The fact that he must communicate his hard knowledge into Japan-based networks requires him to be immensely skilled in cross-cultural behaviour and communication. He now estimates that 80% of his job content is connected with handling tacit knowledge.

All this is illuminating. If even technically trained people – nominal users of explicit knowledge *par excellence* – are spending, say, a minimum of 30% of their professional time engaging with tacit knowledge, do their employers realise this? Almost certainly not. Of particular interest is the fact that the tacit knowledge they have handling *has been learnt on the job* and only a small proportion of it is

retained as a resource in the company. I should perhaps have mentioned earlier that the 60 scientists and engineers mentioned above were all taking a part-time MBA course at the Technical University of Vienna in the period 2007-2009. Approximately half the entire group of 60 were Austrian, the remainder mainly from East and Central European countries.

Many of them, like the UK engineer, operate professionally in various countries. In other words, they are accumulating their tacit knowledge from several (national) cultural contexts. This suggests that one should perhaps not just consider tacit knowledge to be an organizational resource, but a product of cross-cultural professional interactions. That is precisely the topic that my co-author and myself are currently exploring, and we are beginning to see not only tacit knowledge but also knowledge management from new and unusual perspectives. We can certainly endorse the conviction that ‘knowledge management depends on how knowledge is perceived’ (Christensen et al., 2005) with the important qualifying rider: ‘from particular cultural vantage points.’ In short, in our investigations culture is emerging as a facet of tacit knowledge in its own right, but it is no easy task to specify that most complex relationship.

Burton-Jones (1999) has written that tacit knowledge is ‘less manageable’ than explicit knowledge. That is hardly a felicitous way of putting it, but what these instances about scientists and engineers tell us is that tacit knowledge has a very strong claim to be a management issue. For that and other reasons we have dared to write that ‘the world needs all the help it can get to understand tacit knowledge’ (Holden and Glisby, 2009). We do not mean that smugly, but as a necessity for the practical running of international businesses and for the furtherance of KM studies in business schools and universities.

This book, edited by Deogratias Harorimana, does a service to the KM community by focusing on the forms of cultural impacts on the creation and sharing of knowledge from multiple standpoints. The editor is right to describe the themes addressed in this book as constituting ‘a complex, but exciting debate.’ At the present time this debate largely focuses on establishing causal links between KM and competitive advantage. But we are living in an era in which blind – discredited - competitive capitalism will have to be replaced by systems to underpin what Bartholemew and Adler (1996) have called ‘cross-cultural collaborative learning.’ This means that KM community no longer has the luxury to keep culture at bay as an awkward outlier, but must build factors to do culture’s impact on knowledge creation, sharing and implementation into the general KM equation. It is not just the sustainability of organizations that is at stake here, but that of the very planet itself.

Nigel Holden

Director, Institute of International Business, University of Central Lancashire, UK

Nigel Holden obtained his PhD from Manchester Business School in 1986 and has held professorial appointments in Denmark, Germany and the UK. He has been Professor of Cross-cultural Management at Lancashire Business School of the University of Central Lancashire, UK, since 2006. Internationally recognized in his field, he is author of the landmark book *Cross-cultural management: A knowledge management perspective* and numerous articles and chapters on culture and knowledge management. He is currently preparing a case-based book on tacit knowledge in firms’ international networks. He has given over 100 invited lectures and keynote addresses to academic and professional audiences in several European countries, Japan, Taiwan, China, USA and Russia. . In April 2009 he was appointed as a member of an International Expert Group on Nuclear Knowledge Management by the UN’s International Atomic Energy Agency.

REFERENCES

- Alvesson, M. and Kärreman, D. (2001). Odd couple: making sense of the curious concept of knowledge management. *Journal of Management Studies*. Vol. 38. No. 7, pp. 995-1018.
- Bartholomew, S. and Adler, N. (1996). Building networks and crossing borders: the dynamics of knowledge generation in a transnational world. In: Joynt, P. and Warner, M. (eds). *Managing across cultures: Issues and perspectives*. London: International Thompson, pp. 7-32.
- Baumard, P. (1999). *Tacit knowledge in organizations*. London: Sage Publications.
- Bukh, P. N., Skovvang, K. S. and Mouritsen, J. (2005) New economy, new theory or new practice? In: Bukh, P. N., Skovvang, K. S. and Mouritsen, J. (2005). *Knowledge management and intellectual capital: Establishing a field of practice*. London: Palgrave MacMillan, pp. 1- 14.
- Burton-Jones, A. (1999). *Knowledge capitalism: Business, work and learning in the new economy*. Oxford: Oxford University Press.
- Christensen, K. S., Bukh, P. K. and Mouritsen, J. (2005). New economy, new theory – or new practice? In: Bukh, P. K., Christensen, K. S. and Mouritsen, J. (eds.). *Knowledge management and intellectual capital: Establishing a field of practice*. London: Palgrave Macmillan.
- Christensen, P. H. (2003). *Knowledge management: Perspectives and pitfalls*. Copenhagen: Copenhagen Business School Press.
- Dixon, N. (2000). *Common knowledge: How companies thrive by sharing what they know*. Boston, MA.: Harvard Business School Publishing.
- Glisby, M. and Holden, N. J. (2002). Contextual constraints in knowledge management theory: the cultural embeddedness of Nonaka's knowledge-creating company. *Knowledge and Process Management*. Vol. 10. No. 2, 1-8.
- Holden, N. J. (2002). *Cross-cultural management: a knowledge management perspective*. Harlow: Financial Times/Prentice Hall, pp. 328.
- Holden, N. J. and Glibsy, M. (2009, forthcoming). *International business networks: tacit knowledge for competitive advantage*. Copenhagen: Copenhagen Business School Press.
- Kalling, T. and Styhre, A. (2003). *Knowledge sharing in organizations*. Copenhagen: Copenhagen Business School Press.
- Kärreman, D., Alvesson, M. and Blom, M. (2005). In: Bukh, P. N., Skovvang, K. S. and Mouritsen, J. *Knowledge management and intellectual capital: Establishing a field of practice*. London: Palgrave MacMillan, pp. 124 – 148.
- Lucier, C. E. and Torsilieri, J. D. (2001). Can knowledge management deliver bottom-line results? In: Nonaka, I. and Teece, D. (eds.). *Managing industrial knowledge: Creation, transfer and utilization*. London: Sage.
- Ruggles, R. (1999). Gaining the knowledge advantage. In: Ruggles, R. and Holthouse, D. (1999). *The knowledge advantage: 14 visionaries define market place success in the new economy*. Dover, NH.: Capstone, pp. 1-19.
- Styhre, A. (1003). *Understanding knowledge management: Critical and postmodern perspectives*. Copenhagen: Copenhagen Business School Press.